

**RESULT FRAMEWORK DOCUMENT (RFD) FOR
EXPORT INSPECTION COUNCIL
MINISTRY OF COMMERCE & INDUSTRY,
DEPARTMENT OF COMMERCE, GOVERNMENT OF INDIA,
NEW DELHI
YEAR 2012-2013**

Section 1: Organisation's Vision, Mission, Objectives and Functions

VISION

To facilitate worldwide access for Indian exports through a credible and efficient inspection and certification system and earn global recognition as India's premier organization for certifying quality and safety to meet international norms.

MISSION

- To create an export inspection & certification infrastructure within the country based on International Standards for Certification Authorities in consonance with WTO requirements;
- To instil confidence in importers about quality and safety of Indian exports; to provide accredited state-of-art testing facilities in chosen frontier areas;
- To enhance capability of manpower through trainings to meet International requirements; to obtain recognition for India's export certification system from out major trading partners; to participate in international fora and project Indian interest; and
- To be in sync with the latest technological advancements for capacity building.

OBJECTIVES

- (i) To notify commodities and their minimum standards for exports in line with international standards and practices.
- (ii) To review procedures of certification and issue of certificates with a view to streamlining this activity as well as making it export-friendly on the one hand as well as at the same time ensure credibility simultaneously.
- (iii) To build up an infrastructure with a view to providing reliability and accuracy of information as well as quick service to exporters to include laboratory up gradation, computerisation and modernisation.
- (iv) To strengthen and streamline the functioning by aligning inspection and certification activity
- (v) To ensure through Corporate Audits that the activities of the organisation are carried out effectively with each and every individual being accountable for the task assigned.
- (vi) To bring about awareness in industry on norms and requirements of trading partners so that they are able to meet the same.

- (vii) To empower personnel within the organisation to developing and upgrade their skills to meet the quality and safety requirements of the importing countries.
- (viii) To participate in international meetings and projecting Indian viewpoints so that the conditions within the country are reflected during formulation of international standards with a view to prevent any harm to Indian exports.
- (ix) To propagate about the charter of the organisation in the importing countries with a view to solicit acceptability of its certification and quality standards.
- (x) To work towards development of Equivalence Agreements with trading partners so that Export Inspection Council's certification is recognised by them and duplication of inspection and testing is avoided at the importing end, to enable Indian products to have a green channel entry into the importing countries.

FUNCTION OF ORGANISATION

EIC, as an apex body for controlling the activities of all the notified commodities meant for export, is also an advisory body under the administrative control of Ministry of Commerce & Industry. The Act assigned the following main functions to the EIC:

1. To advise the Central Government regarding measures to be taken for enforcement of quality control and inspection in relation to commodities intended for export and to draw up programmes therefore,
2. To arrange pre-shipment inspection of notified commodities for export, and
3. To perform such other activities as may be assigned under the Act for matters connected therein for quality control and inspection.

Services being provided under its network ie EIAs and its sub offices and accredited labs:

- Inspection and Certification of vast range of Export products such as Engineering, Chemicals, Footwear, Fish and Fishery Products, Basmati Rice, Black Pepper etc.
- Issuance of Certificate of Origin under various preferential schemes.
- Voluntary Inspection

The various procedures for inspection and certification are as under

- Consignment Wise Inspection.
- In Process Quality Control
- Self Certification
- Food Safety Management System.

All these systems are well laid out and fulfill various requirements of national and international standards specifications, they are also being up to dated revised in line with the change of National and International laws.

Pursuant to the introduction of the policy of economic reforms and trade liberalization in the country followed by the establishment of WTO in 1995, the enforcement of compulsory Quality Control and Pre-shipment Inspection was simplified and streamlined by rescinding various notifications issued by Government , thus, exempting items notified under the Export (Quality Control and Inspection) Act, 1963 from compulsory pre-shipment inspection under various categories has resulted in change of roles from the regulatory to a voluntary one in respect of a majority of the products.

The sudden impact of this was reduction of work and manpower becoming surplus resulting in Government to float VRS in 1994 whereby approximately 50% of manpower took VRS.

Present Scenario Related to Work

Currently, the food items like fish & fishery products, egg products, milk products, honey and Basmati Rice where international standards on Food Safety Management Systems based certification prescribed by EU, Japan, USA etc. are required and their respective bodies and their respective bodies have recognized the systems of inspection/ plant monitoring and certification proceedings established by this office at par with their country specific systems and procedures such as

1. Principles for Food Import & Export Inspection & Certification (CAC/GL 20-1995).
2. Guidelines for the Design, Operation, Assessment and Accreditation of Food Import & Export Inspection & Certification Systems (CAC GL-26-1997).
3. Guidelines for the development of Equivalence Agreements regarding Food Control and Export Inspection & Certification Systems (CAC/GL 34-1999).
4. Guidelines for the Exchange of Information in Food Control in Emergency Situations (CAC/GL 19-1995).
5. Guidelines for Exchange of Information between countries on Rejection of Imported Food (CAC/GL 25-1997).
6. Guidelines for Generic Official Certificate Format and Production and Issuance of Certificates.

This achievement was root cause as many countries including USA, Canada, Australia and many members of the European Union are insisting on implementation of such systems both in the domestic and overseas trade initially for more risk prone products such as marine, meat, poultry and dairy. Further, member countries are free to install import control systems based on Codex standards and have an obligation to recognize the export certification of their trading partners provided it is equivalent to their import control system.

Against the backdrop of the above, export certification was once again made mandatory by the Government of India for products like fish & fishery products, egg products, milk products and honey. Being the official export inspection and certification body in India with statutory status, EIC was reportedly designated as the Competent Authority by EC for marine products, egg products, honey and basmati rice and by USFDA for black pepper and by many other countries for various products..

Under this some new products and schemes have come under the fold of EIC.

Product: Milk & Milk Products, Honey

Schemes: Issuance of Health Certificates under Turkey Health Scheme

Issuance of Equivalence Certificates

Product Certification wrt GMO

Goals Envisaged

- ◆ To install a credible system of export inspection and certification based on applicable international standards for conformity assessment to address requirements of regulatory import controls of India's trading partners. The export certification may be regulatory, especially in areas of health and safety like food products, toys, medical devices etc. to address the concerns of India's trading partners or voluntary keeping in view that independent, third-party certification is widely regarded as an important tool for market access and that exporters are desiring such certification from an independent, official certification agency;
- ◆ To obtain recognition for the system of export control as above from the import control bodies of India's trading partners for freer entry into markets of such countries through MOUs/Equivalence agreements envisaged under SPS Agreement. EIC already has

recognition for fish & fishery products and basmati rice from EC, black pepper from USFDA, fish and fishery products from Australian Quarantine and Inspection Service (AQIS) and for different products from countries like Sri Lanka, S. Korea, Canada, Japan and EU.

- ◆ To present India's view point in (i) framing of international standards, especially in the Food Sector by the Codex Alimentarius Commission, which have a bearing on international trade and, therefore, on Indian export and (ii) various fora under the WTO to mitigate the barriers and problems, if any, that Indian exporters may face on account of non-compliance to WTO Agreements by the importing countries.
- ◆ To analyse cause of rejections of export consignments whenever these occur at the importing end and take up specific cases with governments of importing countries in case the same are not justified.
- ◆ To maintain an information centre with database on regulatory requirements of India's trading partners for enabling easy access to such requirements by Indian exporters.
- ◆ To provide training and technical assistance, not conflicting with independence of certification, to the Indian exporters to assist them in meeting international standards especially in respect of Quality, Environment and Food Safety Management System, which are increasingly becoming a pre-requisite for entering into markets of EU, USA and other countries.
- ◆ In the WTO scenario, importing countries are imposing increasingly stringent regulatory requirements. To meet these requirements, there is a need to (i) upgrade quality of the Indian products to meet these increasingly stringent requirements and (ii) upgrade conformity assessment infrastructure in line with the international requirements of testing, inspection and certification to be able to demonstrate compliance to the regulatory norms and requirements of the importing country.

In such scenario and as specified in the WTO/SPS and TBT Agreements, there is a provision for recognition of the exporting country's systems for ensuring compliance to meet the importing country requirements instead of checking each and every consignment imported. To take advantage of this provision, re-course is being taken to initiate Mutual Recognition/Equivalence Agreements for recognition of EIC's certification of various products. This requires up-gradation in terms of equipment,

systems and manpower for testing, inspection, certification etc. Importing countries before providing recognition, assess and audit these aspects. Many of the policy initiatives relating to EIC are tailored towards the above. For example, up-gradation of laboratories, implementation of Residue Monitoring Plans, training of certifying officials as well as exporters, development of Agreements with trading partners, image building of the organization etc.

- ◆ E-governance, transparency, speed of communication, traceability, accountability and providing efficient services etc are of importance in today's scenario. This requires computerization, computerized networks and an e-culture. Towards this end, activities relating to building hardware, software in different application, databases, e-connectivity, working towards a paperless office culture are being undertaken with constant up-gradation so as to be in tune with the latest developments. Specific examples of activities towards this initiative include computerization, networking with EIAs, building up databases on importing countries requirements, digitization activities etc.

To achieve above goals, EIC directly or through EIAs and its field organisations renders services in the above and related areas:

- ◆ Maintaining database of regulatory requirements of different countries for industry.
- ◆ International participation as an official certifying body to put forth Indian position and point of view in international standardization.
- ◆ Providing training and technical assistance to the industry in installation of quality and safety management system based on principles of Hazard Analysis Critical Control Point (HACCP), ISO 9000, 17020, 17025, 22000 etc and other related areas with a view to meet requirements of the importing countries.

Framework for Future Growth

Realising the changes in the role, EIC has reportedly been endeavoring to reorient itself by taking up activities of interest to the users, e.g. maintenance of an information centre with database on regulatory requirements of India's trading partners; putting into place a system of certification covering both product and systems aspects with a view to facilitating exports; and providing training and technical assistance, not conflicting with independence of

certification, to the trade and industry on international standards like ISO 9000, ISO 14000 and Food Safety Management Systems for overall upgradation of their quality and quality assurance systems in line with international requirements.

TARGETS ENVISAGED FOR 2012-13

- EIC will undertake monitoring visits, issue certificate of origin and test samples through EIAs. (Sl.No.1 of annexure)
- EIC will continue to operate the Laboratory Recognition Scheme to supplement the testing facilities of EIA labs (Sl. No.2 of annexure).
- EIC will develop new schemes in the areas such as Organic certification & feed mills certification (Sl.No.3 (i) of annexure).
- EIC will initiate dialogue towards Mutual Recognition/Equivalence Agreements/Memorandum of Understanding with at least four countries for recognition of EIAs certification to ensure a hassle free entry of EIC certified products into these countries. (Sl.No.3 (ii) of annexure).
- EIC will perform audit of various activities of EIAs and their sub-offices with the twin objective of checking compliance to effectiveness of its systems as well as building accountability. (Sl.No.4 of annexure).
- The Residue Monitoring Plan (RMP) for 2012-13 covers testing of about 1200 samples. (Sl.No.5 of annexure).
- EIC will take all necessary steps to mobilize additional resources through voluntary initiatives (Sl.No.6 of annexure). These include, undertaking voluntary inspections for areas such as engineering items, chemicals, health certificates for products exported etc.
- EIC will review existing schemes for operation of various activities to bring them in line with international requirements and for streamlining the same.(Sl.No.7 of annexure).
- EIC proposes to participate in Trade Fairs both in India and overseas to project its activities (Sl.No.8 of annexure).
- EIC through its Human Resource and Quality Development Center (HRQDC), shall intensify its training activities, both for industry as well as in-house manpower. Awareness/training programme are proposed to be organized in the area of Hindi, computerization and certification of fish, milk, honey, CoO, basmati rice, HACCP, Organic certification etc., for trade and employees of EIC/EIAs. It is also proposed to train EIC/EIAs employees in ISO-9001, HACCP, basmati rice, honey, computer awareness, Hindi and Vigilance through in-house or external programmes during the year (Sl.No.9 of annexure).
- EIC will implement the Business Process Automation Project under which all functions being carried out by it and its field organization will be automated through integrated approach so as to provide efficient, transparent and online services to the Indian exporters. (Sl.No.10 of annexure).
- The construction of state of the art lab facility in NCR region shall be commenced and Department of Commerce will facilitate funds for construction on the allotted land for setting up of lab and administrative complex in phase one (Sl.No.11 of annexure). Efforts will be made towards procuring own premises in other places also.

- i) The audited accounts of EIC/EIAs required to be place in both House of Parliament within 9-months of closure of account of the financial year 2011-12 i.e. by December 2012. A target for the same has been set and efforts would be made with audit authorities to complete the audit with the stipulated time so that the target date of December 2012 is met. (Sl.No.12 (i) of annexure).
- ii) The figures projected for 2012-13 for the total income generation are 125.00 Crores (Sl.No.12 (ii) of annexure).

SECTION 2

Inter se priorities among key objectives, success indicators and targets

Col 1	Col 2	Col 3	Col 4	Unit	Col 5	Col 6				
						Target/ Criteria Value				
Objectives	Weight	Actions	Success Indicator		Weight	Excellent	V Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
Simplification of procedures	0.50	New/Revised Executive Instructions for operation of inspection/certification schemes	% increase in the amount of exports	Number	0.50	7	6	5	4	3
Land and Building EIA-Delhi	0.30	Construction of office complex / lab and training center at Faridabad	Numbers of test samples and RMP testing	Number	0.30	1200 test samples 11 Lakh CoO	1100 test sample 10 lakhs CoO	950 test samples 9 lakhs CoO	850 test samples 7.5 lakhs CoO	700 test samples 6.5 lakhs CoO
Business Process Automation	0.20	Implementation of Phase-I covering Module of Certificate of Origin(CoO) thereafter implementation of Phase II modules Inspection & certification Laboratory Testing	Transparent and efficient work processes and increased efficiency indicated by % increase in certification and testing	Number	0.20	Identification of project management service provider for construction of lab facility and office complex	Framing and finalisation of design specification and the submission of the same for construction approvals	Finalization of specification for the project	submission of plans and other documentation regarding construction of office complex	Identification of the consultant,

A detailed sheet indicating the cogent projections is appended with this document as Annex A

SECTION 3

Trend Value of the Success Indicators

Objectives	Actions	Success Indicator	Unit	Actual Value	Actual Value	Target Value	Projected value	Projected Value
				For FY 10/11	For FY 11/12	For 12/13	For 13/14	For 14/15
Simplification of procedures	New/Revised Executive Instructions for operation of inspection/certification schemes	% increase in the amount of exports	Number	5	4	7	6	6
Land and Building EIA-Delhi	Construction of office complex / lab and training center at Faridabad	Numbers of test samples and RMP testing	Number	-	-	Identification of project management service provider for construction of lab facility and office complex	Construction of lab facility, training center and other infrastructural measures	Finishing and calibration of lab facility and full fledged roll out the facility
Business Process Automation	Implementation of Phase-I covering Module of Certificate of Origin(CoO) thereafter implementation of Phase II modules Inspection & certification Laboratory Testing	Transparent and efficient work processes and increased efficiency indicated by % increase in certification and testing	Number	-	-	Finalization of the vendor and the signing of formal contract for execution of the project and preliminary finalization of Project Plan	Completion of system development for Certificate of Origin under phase I the same would be followed by User Acceptance Test	--

SECTION 4: Description and definition of success indicator and proposed measurement methodology

Definition of Success Indicator: The aim of the introduction of new executive instructions/ revised executive instructions is to ensure that there is higher number of exports by simplifying the export norms and regulations.

Construction of a lab facility shall ensure that with adding up of the new infrastructural facility in the NCR the number of samples being tested by EIAs shall go up considerably and there would be a boom in issue of Certificate of Origin (CoO), which entitle the exporters for duty benefits as per norms and shall also ensure that:

- Well constructed building with suitable infrastructure and better working atmosphere leading to a higher motivational level.
- A good and credible image projected to Governments of importing countries which will facilitate in negotiating Equivalence and Mutual Recognition Agreements.
- A good, neat, clean and quality image presented to the exporters within the country, which reflect the culture of the organization.

By introducing the concepts of Business Process Automation the emphasis shall be on the efficient and transparent process leading to :

- Availability of real time data for generation of all types of reports.
- Speedier issue of COOs with least amount of subjectivity.
- Availability of facilities for exporters to apply for services of EIC/EIAs on-line especially for certificates of origin through Web-based applications designated for accessing information on Wide Area Network
- Faster communication between EIC/EIAs for better services to exporters.
- Transparency and traceability of all core activities.
- Better monitoring of certifying activities of EIA by EIC of marine products (for which EU has designated EIC as the competent authority), dairy products, egg products, honey, rice etc.
- Better and modern working environment within the organization.

SECTION 5: Specific performance requirements from other agencies that are critical for delivering agreed results

For achieving the targets, support is also required from Ministry of Commerce & Industry in terms of the following.

- i) **Role Clarity** – EIC by statute undertakes measures for the enforcement of the quality control and inspection in relation to notified commodities, namely, fish and fish products, milk products, egg products, honey and rice for their export. Some Commodity Boards and Promotion Councils having recently started entering into certification activities in respect of their commodities/products such as processed food containing red chilies as an ingredient by Spices Board, gelatin by CAPEXIL, cashew kernels by Cashew Export Promotion Council (CEPC) etc. This is leading to role overlap. The Commodity Boards/EPCs legitimate mandate includes extending technical and financial assistance. However, by taking on the responsibility of certification, they are arrogating to themselves an enforcement role. There is also a larger issue of whether developmental and regulatory functions should be performed by a single entity. International best practices mandate that ‘developmental’ and ‘enforcement’ functions should not coalesce in single body. It is also the Government of India’s considered policy to separate regulatory/enforcement functions from developmental functions.
- ii) **Plan scheme**- Many of the areas such as computerization, RMP, lab and accreditation activities, completion of buildings at Delhi, training and awareness programmes etc, are dependent on plan funds. Availability of timely release of plan fund as per requirement submitted to MOC&I may be ensured.
- iii) **Land and building clearance from DDA**- Department of Commerce will facilitate the change of land use of allotted land for the setting up of EIA-Delhi.

SECTION 6: Outcome/Impact of activities of organization

Realizing the changes in the role, EIC has been endeavoring to reorient itself by taking up activities of interest to the users, e.g. maintenance of an information centre with database on regulatory requirements of India's trading partners; putting into place a system of certification covering both product and systems aspects with a view to facilitating exports; and providing training and technical assistance, not conflicting with independence of certification, to the trade and industry on international standards like ISO 9000, ISO 14000 and Food Safety Management Systems for overall up-gradation of their quality and quality assurance systems in line with international requirements.

Projected Outcomes:

- Bringing about quality consciousness and awareness in the Indian industry
- Building of capabilities of the internal human resources as well as for the export community by organising programmes targeted towards them.
- Improved quality of products and credibility of Indian exports with lesser number of rejections.
- Establishment of world class laboratories.
- Better acceptance of Indian products in overseas markets - due to improved quality as well as image building.
- Increased credibility of Indian export control systems leading to more number of equivalence and Mutual Recognition Agreements.
- Availability of trained internal manpower on product specific and systems criteria in inspection, testing and certification activities.
- Availability of recognized awareness and training packages for different sectors of the Indian export industry.

Annex A

Performance Targets and Evaluation Criteria of Export Inspection Council, New Delhi- 2012-13

	Objectives	Weight	Actions target 2012-13	Performance Targets For each quarter				Remarks
				Ist Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	
1.	Production /export projection							
	a) Monitoring visits	Percentage	100%	200	200	200	200	
	b) Certificate of Origin	Number	11,00,000	2,75,000	2,75,000	2,75,000	2,75,000	
	c) Samples to be tested	Number	40000	10,000	10,000	10,000	10,000	
2	Productivity enhancement Laboratory approval as per ISO-17025	Number of labs- approved/app roval renewed	9 Audits/ Surveillance	2	2	2	3	

3	R&D related measurable initiatives New Scheme-	Numbers	3	1	1	1	2	
4	Value addition related measurable initiatives Corporate audits	Number of activities to be audited	16	4	4	4	4	
5.	Quality enhancement initiatives a) Testing of samples for residue in milk (RMP)	Number	300	75	75	75	75	
	b) Testing of samples for residue in Poultry meat	Number	340	85	85	85	85	

	c) Testing of samples for residue in egg products	Number	200	50	50	50	50	
	d) Testing of samples for residue in honey	Number	360	90	90	90	90	
6	Internal resources generation enhancement Voluntary inspections	Number	100	25	25	25	25	
7	Simplification of procedures New/Revised Executive Instructions for operation of inspection/certification schemes	Number	7	2	2	2	1	

8	Competitiveness building interventions Participation in trade fairs.	Numbers	5	1	1	1	2	
9.	Human Resources Development related efforts a) Awareness programmes for trade and industry b) For officers covering internal/external trainings	Numbers Participants Numbers Participants	10 300 20 200	2 60 5 50	2 60 5 50	3 90 5 50	3 90 5 50	
10	Business Process Automation Phase-I Module of Certificate of Origin(CoO) Phase II Modules Inspection & certification Laboratory Testing	Time	The project is to be undertaken in a phased manner and in the current year CoO module is to be implemented as first phase	The project is to be taken up on turnkey basis for which tender process already over and the matter has been sent for final approval of MoC&I.	Finalization of the vendor and the signing of formal contract for execution of the project and preliminary finalization of Project Plan	Acceptance of System Requirement Study (SyRS), design Documents and Prototype for CoO issuance application is likely to be finalized	Completion of system development for Certificate of Origin under phase I the same would be followed by User Acceptance Test	The targets have been indicated assuming that the approval of MoC&I shall be available by June 2012
11	Land and Building							

	EIA-Delhi	Time	Construction to be completed	1 st quarter Identification of the consultant, submission of plans and other documentation regarding construction of office complex	2 nd quarter Framing and finalisation of design specification and the submission of the same for construction approvals	3 rd quarter Framing and finalisation of design specification and the submission of the same for construction approvals	4 th quarter Identification of project management service provider for construction of lab facility and office complex	
12	Financial activities							
	i) Placement of accounts in Parliament	Time	December 2012			15.12.2012		
	ii) Total Income generated	Rs. Crores	125.00 crores	31.00 crores	31.0 crores	31.00 crores	32.00crores	